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ALAN K. ALLRED  
DIRECTOR, RATES

October 2, 1997

RECEIVED

OCT 6 9 37 AM '97  
STATE PUBLIC  
SERVICE COMMISSION

Ms. Julie Orchard  
Utah Public Service Commission  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, UT 84110

Dear Ms. Orchard:

Re: Mountain Fuel's Monthly Report of  
Intercompany Loan Activity as  
Required by the Commission in its  
Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Mountain Fuel Supply Company's intercompany loan activity in August. The forms show that Mountain Fuel has loaned Questar \$0.00 as of August 31, 1997. Also enclosed are three copies of the computation of the intercompany interest rates for September 1997.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Alan K. Allred

AKA/edz  
Enclosures



**MOUNTAIN FUEL SUPPLY COMPANY**

## INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

[illegible]

The intercompany interest rate calculation for the month of September, 1997 is shown below:

Market Borrowing Rate (1 month)	5.85%
Market Investment Rate (1 month)	<u>5.56%</u>
	11.41%
 Intercompany Interest Rate (Average)	 <u>5.71%</u>